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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/592,618	06/13/2000	Jay S. Walker	00-012	5604

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EXAMINER

BORISSOV, IGOR N

ART UNIT	PAPER NUMBER
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3629

DATE MAILED: 10/20/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/592,618

Applicant(s)

WALKER ET AL.

Examiner

Igor Borissov

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 03 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 20 December 2002.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-57,59-63 and 81-87 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-57,59-63 and 81-87 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____
- 4) ☐ Interview Summary (PTO-413) Paper No(s). _____
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other:

DETAILED ACTION

Claim Rejections - 35 USC § 112

The claim rejection 35 USC § 112 is withdrawn due to the applicant's ammendment.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-57, 59-64 and 81-87 are rejected under 35 U.S.C. 101 because the claimed method for conducting a transaction does not recite a limitaion in the technological arts. The independently claimed steps of: receiving information relating to a first transaction; determining a benefit, said benefit based at least in part on said information; determining a price for said benefit; and applying said benefit during a second transaction, are abstract ideas which can be performed mentally without interaction of a physical structure. Because the independently claimed invention is directed to an abstract idea which does not recite a limitaion in the technological arts, those claims and claims depending from them, are not permitted under 35 USC 101 as being related to non-statutory subject matter. However, in order to consider those claims in light of the prior art, examiner will assume that those claims recite statutorily permitted subject matter.

Claim Rejections - 35 USC § 102

The claim rejection 35 USC § 102 is withdrawn due to the applicant's ammendment.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-4, 6-9, 11-23, 28-33, 35-38, 40-44, 46-57, 59-64 and 81-87 are rejected under 35 U.S.C. 103(a) as being unpatentable over Williams (US 2002/0049631).

Williams teaches a method, system and computer readable medium for providing purchasing incentives to a plurality of retail store environments, comprising:

As per claims 1, 13-15, 18-22, 30, 41, 46-50, 52-57, 81, 85 and 86-87,

- receiving information relating to a first transaction (Abstract; [0020]; [0047] through [0055]);

- determining a benefit, said benefit based at least in part on said information (Abstract; [0013] through [0015]; [0020] through [0022]; [0037] through [0039]);

- determining a price for said benefit (Abstract; [0037]); and

- applying said benefit during a second transaction (Abstract; [0063]).

Williams also teaches that if the customer accepts the offer for the benefit, the customer should spend a certain amount of money in exchange for said benefit.

However, Williams does not specifically teach that spending a certain amount of money in exchange for said benefit includes charging the price of the benefit to a customer.

It would have been an obvious matter of design choice at the time the invention was made to modify Williams to include that spending a certain amount of money in exchange for said benefit includes charging the price of the benefit to a customer, because it appears that the claimed features do not distinguish the invention over similar features in the prior art, and the teachings of Williams would perform the invention as claimed by the applicant with either specifically teaching the price of the benefit, or not.

Also, Williams teaches,

As per claims 2 and 32, said method, system and computer readable medium, further comprising at least one of the following: retrieving benefit information; offering said benefit for sale at said price; receiving an indication of a purchase of said benefit; and receiving an indication of a customer's agreement to purchase said benefit (Abstract; [0021] through [0024]; [0037] through [0039]).

As per claims 3 and 33, said method, system and computer readable medium, further comprising at least one of the following: determining an available subsidy; receiving a subsidy amount; and determining a margin between a price and a subsidy amount ([0039]; [0040]; [0051]; [0052]).

As per claims 4 and 31, said method, system and computer readable medium, further comprising:

- verifying usability of said benefit during said second transaction ([0013] through [0015]; [0020] through [0022]; [0037] through [0039]).

As per claims 6 and 35, said method, system and computer readable medium, further comprising at least one of the following: establishing a condition on said benefit; determining a condition associated with said benefit; and providing an indication of a condition associated with said benefit ([0020] through [0022]).

As per claims 7 and 36, said method, system and computer readable medium, further comprising at least one of the following: receiving an indication of a receiver of said benefit; canceling said benefit; changing said benefit; and redeeming said benefit ([0020] through [0022]).

As per claims 8 and 37, said method, system and computer readable medium, further comprising at least one of the following: receiving a customer identifier; receiving a group identifier; receiving a customer device identifier; receiving a payment identifier; receiving a retailer identifier; receiving a benefit identifier; receiving a service identifier; and receiving a product identifier (Abstract; [0012]; [0020] through [0027]; [0031] through [0035]).

As per claims 9 and 38, said method, system and computer readable medium, further comprising at least one of the following: redeeming a previously determined benefit; receiving a request to redeem said benefit; aggregating said benefit with a previously determined benefit ([0006]; [0019]; [0022]).

As per claims 11-12 and 40, said method, system and computer readable medium, further comprising: providing a list of at least two benefits; receiving an indication of a selection of one of said at least two benefits; receiving an indication of at

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least one person to whom said benefit is to be provided (Abstract; [0014]; [0021] through [0024]; [0037] through [0039]).

As per claims 16-17 and 42-44, said method, system and computer readable medium, further comprising:

- receiving an indication of a completion of said qualifying action ([0021]; [0022]; [0024]; [0038]);
- providing said benefit after receiving said indication ([0021]; [0022]; [0024]; [0038]);
- arranging for said benefit to be provided after receiving said indication ([0021]; [0022]; [0024]; [0038]).

As per claim 23, said method, system and computer readable medium, wherein said benefit is based at least in part on at least one of the following: a customer identifier; a group identifier; a benefit identifier; preference information for a customer; credit history of a customer; a characteristic of a customer; customer demographic information; a history of a customer at a retailer; information regarding a customer's brand loyalty; information regarding a customer's brand indifference; a product; a service; a previously determined benefit; a previously determined but unredeemed benefit; a previously determined price for a previously determined benefit; a total of a plurality of previously determined benefits; a quantity of a product in inventory; a subsidy amount; brand-loyalty of a customer; brand-indifference of a customer; an amount of change due a customer as a result of said transaction; product quantity

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information; a price for a collection of products; a price for a collection of services; a price for a product; and a price for a service (Abstract; [0037]).

As per claim 28, said method, system and computer readable medium, wherein said benefit cannot be applied during said first transaction ([0022]).

As per claim 29, said method, system and computer readable medium, wherein said price determined for said benefit is zero (Abstract; [0037]).

As per claim 51, said method, system and computer readable medium, comprising:

- receiving information relating to a first transaction (Abstract; [0020]; [0047] through [0055]);
- determining a benefit, said benefit based at least in part on said information and having an associated price (Abstract; [0013] through [0015]; [0020] through [0022]; [0037] through [0039]);
- providing said benefit at said price during said first transaction (Abstract; [0037]); and
- applying said benefit during a second transaction, wherein said benefit is applicable by a customer during said second transaction only if said customer has completed a qualifying action associated with said benefit (Abstract; [0038]; [0063]).

As per claims 59-62, said method, system and computer readable medium, comprising:

- determining at least one product being purchased by a customer during a first transaction (Abstract; [0020]; [0047] through [0055]);

- determining a price for said at least one product being purchased during said first transaction (Abstract; [0020]; [0047] through [0055]);

- offering said customer an opportunity to purchase said at least one product during a second transaction at said price (Abstract; [0021] through [0024]; [0037] through [0039]);

- receiving an acceptance of said offer from said customer (Abstract; [0021] through [0024]; [0037] through [0039]);

- allowing said customer to purchase said product during said second transaction for said price (Abstract; [0021] through [0024]; [0037] through [0039]; [0063]).

- providing said customer a benefit identifier associated with said at least one product (Abstract; [0013] through [0015]; [0020] through [0022]; [0037] through [0039]);

- receiving said benefit identifier during said second transaction (Abstract; [0012]; [0013] through [0015]; [0020] through [0027]; [0031] through [0039]);

- determining a benefit based on said benefit identifier (Abstract; [0013] through [0015]; [0020] through [0022]; [0037] through [0039]).

As per claims 63-64, said method, system and computer readable medium, comprising:

- determining at least one product being purchased by a customer during a first transaction (Abstract; [0020]; [0047] through [0055]);

- determining a price for said at least one product being purchased during said first transaction (Abstract; [0020]; [0047] through [0055]);

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- providing said customer a benefit during said first transaction, wherein said benefit allows said to purchase said at least one product during a second transaction at said price (Abstract; [0013] through [0015]; [0020] through [0022]; [0037] through [0039]); and

- allowing said customer to purchase said product during said second transaction for said price (Abstract; [0021] through [0024]; [0037] through [0039]; [0063]).

As per claim 82, said method, system and computer readable medium, comprising:

- outputting to the customer a document that entitles the customer to be charged the first price for a second unit of the product ([0024]; [0044]; [0050]).

As per claim 83, said method, system and computer readable medium, comprising:

- receiving the document from the customer during a second transaction ([0024]; [0031]; [0044]).

As per claim 84, Williams teaches all the limitations of the claim 84, except charging the customer for the second unit of the product the lesser of the current shelf price and the first price.

It would have been an obvious matter of design choice at the time the invention was made to modify Williams to include charging the customer for the second unit of the product the lesser of the current shelf price and the first price, because it appears that the claimed features do not distinguish the invention over similar features in the prior

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art, and the teachings of Williams would perform the invention as claimed by the applicant with the benefit being of any type.

Claims 5, 10, 24-25, 34 and 39 are rejected under 35 U.S.C. 103(a) as being unpatentable over Williams in view of Walker et al. (US 5,970,470).

As per claims 5, 10, 34 and 39, Williams teaches all the limitations of claims 5, 10, 34 and 39, except imposing a penalty or reducing the benefit if a customer does not complete a specific future transaction.

Walker et al. teach a method and system for establishing and managing subscription purchase agreements, wherein a customer's account may be assessed a penalty in the event that the customer does not honor the purchase terms and conditions (Abstract; column 2, line 48 through column 3, line 6).

It would have been obvious to one having ordinary skill in the art to modify Williams to include imposing a penalty if a customer does not complete a specific future transaction because it would increase the profitability of the system by decreasing the losses incurred by vendors providing benefits for their customers.

As per claims 24-25, Walker et al. teach said method and system, further comprising providing a receipt to a customer, wherein said receipt includes at least one of the following: a customer identifier; a benefit identifier; a group identifier; a transaction identifier; a product identifier; a service identifier; a payment identifier; a retailer identifier; a code indicative of said benefit; indicia indicative of said benefit; indicia indicative of a condition associated with said benefit; indicia indicative of a qualifying action associated with said benefit; a code indicative of said price; indicia indicative of

said price; said price; said benefit; and at least part of said information relating to said first transaction (column 15, line 26 through column 16, line 20).

Claims 26-27 and 45 are rejected under 35 U.S.C. 103(a) as being unpatentable over Williams in view of Mindrum et al. (US 4,723,212).

As per claims 26-27 and 45, Williams teaches all the limitations of claims 26-27 and 45, except that the benefit is transferable, and wherein said benefit can be shared by a plurality of people.

Mindrum et al. teach a method and apparatus for dispensing discount coupons, wherein said coupons are distributed to different groups of customers (Abstract; column 1, lines 25-54).

It would have been obvious to one having ordinary skill in the art to modify Williams to include that the benefit is transferable and can be shared by a plurality of people because it would increase the profitability of the system by attracting new customers.

Response to Arguments

In response to applicant's argument that there is no suggestion to combine the references, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992).

In this case, both Williams and Walker relate to distribution of promotions used in retail environment. Both Williams and Walker teach distributing promotions to customers in exchange for customers commitment of buying additional products. The customers commitment allows retailers to buy products in bigger quantity, thereby increasing revenue. Therefor, it would have been obvious to one having ordinary skill in the art to modify Williams to include imposing a penalty if a customer does not complete a specific future transaction because it would increase the profitability of the system by decreasing the losses incurred by vendors providing benefits for their customers.

Conclusion

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

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Any inquiry concerning this communication should be directed to Igor Borissov at telephone number (703) 305-4649.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Receptionist whose telephone number is (703) 872-9306.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's Supervisor, John Weiss, can be reached at (703) 308- 2702.

Any response to this action should be mailed to:

Commissioner of Patents and Trademarks

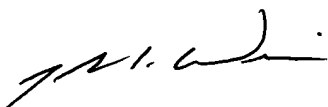
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or faxed to:

(703) 872-9306 [Official communications; including After Final
communications labeled "Box AF"]

Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive, Arlington, VA, 7th floor receptionist.

IB


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